

# THE CONSUMERS HEALTH CARE ACT: REQUIRING SHARED RESPONSIBILITY IN INSURANCE

Office of Senator Jay Rockefeller  
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As Congress works to achieve the transformative reform necessary to create a sustainable health care system, a vital component of this reform is the inclusion of a strong public plan option. Our nation's current health care system is a system run by the private insurance industry – where insurance company profits routinely trump the need to make affordable, adequate, and accountable health insurance options available to all consumers. Americans deserve a truly consumer-driven health system – one that guarantees every consumer's right to health insurance coverage that meets their needs. Greater insurance regulation is needed but not a comprehensive solution. A public plan option that competes with private insurance plans is the only way to guarantee that all consumers have affordable, adequate and accountable insurance options available in the marketplace.

## AMERICANS NEED HEALTH COVERAGE THAT IS ALWAYS AFFORDABLE

More than 45 million Americans are uninsured. The average health insurance premium for a single individual has increased by 114%, from \$2,196 in 1999 to \$4,704 in 2008. For a family of four, the average premium has increased by 119% from \$5,791 in 1999 to \$12,680 in 2008. Yet, Americans have seen their benefits decrease and have faced substantially larger out-of-pocket expenses.

## AMERICANS NEED HEALTH COVERAGE THAT IS ALWAYS ADEQUATE

In addition to the more than 45 million Americans who are uninsured, there are 25 million Americans who are underinsured. According to the *American Journal of Medicine* (2009), nearly 62 percent of all personal bankruptcies involve medical expenses and 78 percent of individuals who cited medical expenses in their bankruptcy claims had health insurance.

## AMERICANS NEED HEALTH COVERAGE THAT IS ALWAYS ACCOUNTABLE

Insurers are allowed to operate in a black box, with little oversight of their coverage and payment decisions. This creates numerous problems for patients and providers. Because of the pervasive lack of transparency in the insurance industry, health insurers have been able to use the Ingenix database to routinely underpay providers and overcharge patients for out-of-network services.

## SOLUTION: SENATOR ROCKEFELLER'S CONSUMERS HEALTH CARE ACT OF 2009

This transformative legislation provides a uniquely American solution to the ongoing problems of health insurance affordability, adequacy, and accountability by:

- **Offering a strong public plan option, the Consumers Choice Health Plan, within the national health insurance exchange to compete directly with private plans.** Direct competition with the Consumer Choice Health Plan will motivate all insurers to provide Americans with the best value for their health care at the best price – rather than the current insurance framework, which is focused on avoiding risk and increasing profits.
- **Establishing America's Health Insurance Trust to give consumers a voice in health insurance oversight.** This nonprofit, consumer-driven organization will evaluate and give ratings to all health insurance products offered through the national health insurance exchange—based on factors such as affordability, adequacy, transparency, consumer satisfaction, provider satisfaction, and quality.